

City of Reading, Pennsylvania

Emergency Solutions Grant (ESG) 2011 Substantial Amendment

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Community Development Department

For Submission to
the U.S. Department of Housing and Urban Development (HUD)
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**SUBSTANTIAL AMENDMENT
TO THE CITY OF READING'S CONSOLIDATED PLAN, ANNUAL ACTION PLAN
FOR EMERGENCY SOLUTIONS GRANT (ESG) PROGRAM FY2011**

Executive Summary

The City of Reading, Pennsylvania proposes to amend its FY 2011 Annual Action Plan for the Emergency Solutions Grant (ESG) Program to submit to the U.S. Department of Housing and Urban Development (HUD) in order to receive the second allocation of funding.

There were two funding allocations for the Emergency Solutions Grant program in FY 2011. The substantial amendment must be prepared and submitted in accordance with the City's citizen participation plan and the requirements of 24 CFR part 91, as amended by the Interim Rule. This Interim Rule, published in the Federal Register on December 5, 2011, revises the regulations for the Emergency Solutions Grants Program, which replaces the Emergency Shelter Grants Program.

The City of Reading's first allocation was in the amount of \$136,152 and the 2nd allocation is in the amount of \$76,586 for a total of \$212,738 in FY 2011 funding that is subject to Emergency Solutions Grant (ESG) Program and new HEARTH Act regulations. The City of Reading's second allocation of \$76,586 must be used exclusively for homelessness prevention assistance, rapid re-housing assistance, Homeless Management Information Systems (HMIS) and administration. An approved substantial amendment will allow ESG allocations in the future Consolidated Planning process.

Background Information

The ESG program changes are a result of the Homeless Emergency Assistance and Rapid Transition to Housing Act of 2009 (HEARTH Act). The HEARTH ACT, enacted into law on May 2009, consolidates three separate homeless assistance programs administered by HUD under the McKinney-Vento Homeless Assistance Act into a single grant program, and revises the Emergency Shelter Grants program and renames it as the Emergency Solutions Grants (ESG) program.

The HEARTH Act also codifies into law the Continuum of Care planning process, a longstanding part of HUD's application process to assist homeless persons, by providing for greater coordination of local planning efforts designed to assist homeless persons. The change in the program's name, from Emergency Shelter Grants to Emergency Solutions Grants, reflects the change in the program's focus from addressing the needs of homeless people in emergency or transitional shelters to assisting people to quickly regain stability in permanent housing after experiencing a housing crisis and/or homelessness. As a result of the American Recovery and Reinvestment Act of 2009, the City of Reading amended its 2008-2009 Annual Action Plan to receive \$1,267,021 in Homeless Prevention and Rapid Re-Housing Program (HPRP) funding from HUD.

This temporary program provided financial assistance and services to prevent individuals and families from becoming homeless and to help those who are experiencing homelessness to be quickly re-housed and stabilized. The funds under this program were intended to target individuals and families who would be homeless if it were not for this assistance. The HPRP funds provided a variety of assistance including: short-term or medium-term rental assistance and housing relocation and stabilization services, including such activities as mediation, credit counseling, security or utility deposits, utility

payments, moving cost assistance and case management. The new regulation for the ESG program, which is an entitlement program, is patterned after the HPRP. Therefore, HPRP activities can continue and ensure continuity between HPRP and ESG, though at a significantly lower funding level.

A copy of the Substantial Amendment detailed budget table to the City of Reading's FY2011 Annual Action Plan is attached for ESG.

1. SF 424

Form to be attached.

2. Consultation Process

A. Consultation regarding the allocation of ESG funds for eligible activities

On Monday, January 23rd, 2012, the leadership of the local Continuum of Care met with administrators from the City of Reading and County of Berks' Community Development Departments to determine how to best allocate the second round of ESG FY2011 funds for eligible activities based on the new caps and minimums set by the HEARTH Act. In order to make determinations regarding the allocation of funds, the City and its Continuum of Care leadership reviewed current ESG and HPRP funding allocations, and examined the previous assessment of community needs and priorities as outlined in the City's Consolidated Plan, One Year Action Plan.

Based on the new caps and minimums set by the HEARTH Act and the amount of funding already allocated under each category, the CoC recommended providing as much additional homeless prevention funding to organizations who applied for funding to provide homelessness prevention services under the HPRP and ESG programs as possible. The City also consulted CoC leadership on the amount of funding needed for the administration of HMIS.

The City has proposed using the 2nd allocation of ESG FY2011 funds for homelessness prevention and HMIS administration according to this consultation.

B. Consultation regarding developing performance standards for activities

Performance standards were developed in consultation with our CoC. Leadership from the CoC met with City Community Development staff to outline performance standards based on those already used. These performance standards were then taken back to CoC membership for review and comment.

C. Developing funding policies and procedures for the operation and administration Of HMIS

In order to develop procedures for the operation and administration of HMIS, the City and its Continuum of Care leadership reviewed current procedures for operation and administration of HMIS and made changes where necessary.

3. Citizen Participation

A. Summary of the process by which citizens were asked to participate in decision-making

The City of Reading is following its existing citizen participation plan in the process of completing this substantial amendment. The City has an extensive community engagement process that is implemented for all programs including ESG, CDBG, and HOME.

In accordance with the City of Reading's Citizen Participation Plan and the ESG FY2011 2nd allocation funding notice, the City has ensured that information about the Substantial Amendment, the City's proposal for the use of the funds, the range of proposed activities and other information was made available for citizen participation. All Citizens and Organizations within the City were provided with an opportunity to submit comments, proposals, or recommendations.

On March 19th, 2012, the Substantial Amendment Notice was posted on the City's website and in the Reading Eagle Newspaper. Public comments were received until April 19th, 2012, and citizens are invited to participate in a regular Council meeting on April 23rd, 2012.

The substantial amendment was reviewed by members of City Council's Finance Committee on April 16th, 2012. On April 23rd, 2012, City Council was presented with the Substantial Amendment, and it was approved during their regular meeting.

A copy of the Substantial Amendment was available for public review in the City Community Development Office and on the City of Reading's website.

B. Summary of the public comments received

No public comments were received.

C. Summary of the comments or views not accepted, including the reasons for not accepting those comments or views.

N/A.

4. Match

Specify the types, amounts, and proposed uses of these resources - 1: 1 all funding:

The City of Reading is confident that it will be able to meet the 1:1 HUD mandated ESG match requirement. ESG sub-recipients have generally provided funds in excess of the required 1:1 match through private contributions. The City also envisions attaining private matching funds through corporate donations for utility assistance.

As of now, ESG FY2011 sub-recipients have provided \$113,928.04 in matching funds for \$104,411.54 in ESG funds expended on the following activities:

- Catholic Charities: Homelessness prevention activities such as rental and utility assistance

- Mary's Shelter: Operations and maintenance of shelter and the provision of essential services for pregnant teens housed within the shelter.
- Opportunity House: Operations and maintenance of shelter and the provision of essential services for men, women, and children housed within the shelter.

In total, we expect to spend \$212,738 in ESG FFY2011 funds and at least \$205,535.56 in matching funds for a total of at least \$418,273.56 spent on the following:

Activity	ESG FFY 2011 Funds	Matching Funds	Total
Homeless Assistance: <ul style="list-style-type: none"> • Operations and maintenance of emergency shelters • Essential services for the homeless • Street Outreach 	\$121, 352	\$121, 352	\$242,704
Homeless Prevention/ Rapid Re-housing/ Housing Relocation and Stabilization	\$65, 430.65	\$74,183.56	\$139,614.21
HMIS	\$10,000	\$10,000	\$20,000
Admin	\$15,955.35	\$0.00	\$15,955.35
Total	\$ 212,738.00	\$205,535.56	\$418,273.56

5. Proposed Activities and Overall Budget

A. Proposed Activities

The City of Reading plans to use the second allocation of FY2011 ESG for homelessness prevention and rapid re-housing activities as well as HMIS activities. After using the total amount allowed for administration of the program (7.5% of the total ESG 2011 allocation), the City proposes to use the \$67,430 left over from the second allocation for homeless prevention and rapid re-housing activities in the amount of \$57,430, and the remaining \$10,000 for HMIS activities. This is based on the HUD formula for ESG, new HEARTH guidelines, and the priorities listed in our annual Action Plan.

1) Describe priority need under annual Action Plan

The City's priorities regarding homelessness revolve around a concentrated effort of both prevention and intervention. The Berks Coalition to End Homelessness, the leader of our Continuum of Care, places an emphasis on chronic homelessness and homeless families who are more episodically homeless. The locally developed plan to reduce homelessness details priorities.

As mentioned, the priority needs relate to the Strategic Plan in that they center on the principles of prevention and intervention. The prevention section consists of the following four methods : (1) Emergency prevention: emergency services to prevent loss of housing, (2) Systems prevention: examine and change institutional policies and regulations that adversely impact housing, (3) Outreach: identify street homeless and at-risk persons and

families, (4) The final prevention method consists of services and maximizing the utilization of mainstream sources.

The Intervention Strategy also consists of four components: (1) Rapid re-housing which is identified in the *Housing First Model*, (2) Supportive transitional housing for chemically-dependent homeless individuals, (3) The expansion of permanent housing revolving around the development of safe and affordable housing, and finally, (4) Income: job training and services accessible for homeless individuals.

Therefore, the bulk of the second allocation of ESG FY2011 funding will go toward homelessness prevention and rapid re-housing activities, in accordance with the priorities outlined in the City of Reading's annual action plan.

2) The table below provides the following information for each activity:

- a) A concise description of the activity
- b) The corresponding standard objective and outcome category
- c) Start and completion date
- d) Funding amount
- e) Performance indicator - # persons or households
- f) Projected Accomplishment (annual and life of contract)

Activity/ Description	Standard Objective/ Outcome Category	Start Date	Date Complete	Funding Amount	# of Persons/ Families Served	Projected Accomplishment
Rapid Re-Housing—Rental Assistance	SL-3, SL-2, SL-1	07/2011	12/2013	\$65, 430	500	Approximately 500 individuals and/or families will avoid homelessness now and/or in the future through activities such as the provision of rental, utility, security deposit, mortgage, and foreclosure assistance as well as landlord/tenant mediation through our sub-recipient agencies. The prevention of homelessness and the provision of stabilization services will prevent short and long-term homelessness.
Rapid Re-Housing—Housing Relocation and Stabilization Services	SL-3, SL-2, SL-1	07/2011	12/2013			
Homelessness Prevention—Rental Assistance	SL-3, SL-2, DH-1	07/2011	12/2013			
Homelessness Prevention—Housing Relocation and Stabilization Services	SL-3, DH -3	07/2011	12/2013			
HMIS	All	07/2012	12/2013	\$10,000	NA	Data will be effectively collected and tracked.
Emergency Shelter—Shelter Operations	SL-1, DH-1	07/2011	12/2013	\$121, 352	300	We will provide emergency housing and supportive services to homeless children, adults, and families as well as pregnant teens through our program sub-recipients. Street outreach will be conducted to identify homeless individuals in need of essential services.
Emergency Shelter—Essential Services	EO-1, EO-3	07/2011	12/2013			
Street Outreach—Essential Services	DH-1, DH-3	07/2012	12/2013			
*Outcome/objective categories						
		Availability/Accessibility		Affordability		Sustainability
Decent Housing		DH-1		DH-2		DH-3
Suitable Living Environment		SL-1		SL-2		SL-3
Economic Opportunity		EO-1		EO-2		EO-3

B. Discussion of funding priorities

1) Explain why the recipient chose to fund the proposed activities at the amounts specified

The City of Reading consulted with its CoC and decided to try to fund organizations providing homeless assistance services through the operation and maintenance of emergency shelters as well as the provision of essential services at similar funding levels to prior years.

However, the City and the CoC has placed optimal importance on the ability to fund homeless prevention, rapid re-housing, and housing stabilization services as it works toward its ultimate goal of prevention through landlord outreach and landlord/tenant mediation, rental and utility assistance, and credit repair services. An alleviation of the 30% cap on homeless prevention through the HEARTH Act has allowed us to fund more homeless prevention activities. HEARTH has stipulated that recipients expend a minimum of 40% on homeless prevention, rapid re-housing, and housing stabilization services while placing a cap that is equivalent to the Hold Harmless need or 60% on homeless assistance. Funding decisions are also an attempt to meet the minimum and cap requirements.

The CoC also serves as the lead agency for HMIS activities. CoC leadership was consulted regarding the amount of funding needed to implement new HMIS requirements in accordance with the HEARTH Act.

2) Local data and objectives

Homelessness prevention and Rapid Re-Housing Program (HPRP) reports for the City of Reading and County of Berks indicate that the City should be using ESG to prevent first time shelter users through the provision of homeless prevention services.

HPRP experience showed that only 5.35% of those receiving homelessness prevention assistance entered shelters after program participation (37 of 692). These were evenly divided between male and female participants. Family type for those seeking shelter showed that singles without children were more likely to enter shelter (13%) than families (3.9%) with 2 parent households at 4.4% and single parent households at 2.9%. These results imply that by providing more assistance toward homelessness prevention may contribute to the desired result of ending homelessness in our communities.

3) Local and national priorities

The City of Reading's priorities are in line with national priorities specified in the "Opening Doors: Federal Strategic Plan to End Homelessness"

- a) Finish the job of ending chronic homelessness in five years;
- b) Prevent and end homelessness among Veterans in five years;
- c) Prevent and end homelessness for families, youth, and children in ten years; and
- d) Set a path to ending all types of homelessness.

Specifically, the City of Reading will seek to prioritize prevention in an effort to meet the goals of the Federal Strategic Plan to End Homelessness. This focus on prevention is aligned with Objective #10 in the Federal Strategic Plan: “Transform homeless services to crisis response systems that prevent homelessness and rapidly return people who experience homelessness to stable housing.”

Priority populations for the City of Reading will mirror those in the national plan and will include:

- a) Chronic homeless for whom the federal response has included a plan to connect 4,000 vouchers with health and services through SAMHSA and using Medicaid to finance health care and services for those in permanent supportive housing.
- b) Veterans for whom the federal response has included a collaborative effort of the VA, HUD, Labor and HHS to align resources for greater effectiveness. Additional vouchers have also allowed homeless vets to find permanent housing.
- c) Families with children for whom housing first has been shown to be an effective model. Vouchers connected to TANF and other HHS –funded programs will be coordinated with the Dept. of Education homeless student programs.
- d) Unaccompanied youth who experience homelessness as a result of aging-out of the foster care system and juvenile justice. Several initiatives are underway to develop best practices that target this group.

The City of Reading’s/County of Berks’ 2011 Annual Action Plan has also identified these systems prevention strategies regarding priority populations to pursue in the long-run:

- a) Work with Berks County Prison officials to develop adequate facilities for on-site community involvement.
- b) Coordinate activities of County Prison, County Parole office, State Parole office and community providers.
- c) Provide post-release housing assistance to and information to prisoners re-entering the community. Berks Connections/ Pre-Trial Services, in cooperation with Berks County MH/MR, the Council on Chemical Abuse, and the Berks County Prison, provides discharge planning and screening. Persons with mental health and substance abuse issues will receive services from community providers before release with a plan for continued treatment after release
- d) Work with state mental health officials on community re-integration programs and funding. Persons hospitalized locally and at the state facility in Wernersville receive discharge planning from the Berks County Office of mental Health and Retardation. Persons are not returned to the community through the homeless shelters or housing facilities supported by McKinney funds.
- e) Coordinate planning with local hospitals on discharge for homeless persons. Reading and Saint Joseph’s hospital are the primary health institutions within the area. The

City and County are working with hospitals to identify individuals and to find appropriate housing placement.

- f) Encourage youth in foster care to take advantage of transitional and preparatory programs that prevent homelessness. Berks County Children and Youth Services (CYS) provides transitional living services for youth in foster care and those in out-of-county placement foster care returning to Berks County. Youth are to be screened for risk of becoming homeless and extended care provided until they are able to support themselves. Youth are not discharged to homeless shelters or facilities.

4) Obstacles to addressing underserved needs in the community

The principle obstacle to meet underserved needs is financial. The allocation of federal funds, while significant, is well below levels required to meet the needs of the region's low/moderate income households and communities.

C. Detailed Budget

See "FY 2011 Detailed Budget Table" on Page 9

FY 2011 Detailed Budget Table					
First Allocation	\$136,152.00	FY 2011 - <u>Emergency Shelter Grants/Emergency Solutions Grants</u> <u>Program Allocations</u>			
Second Allocation	\$76,586.00				
Grant Amount	\$212,738.00				
Total Administration	\$15,955.35				
		First Allocation		Second Allocation	Total Fiscal Year 2011
	Eligible Activities	Activity Amount	Reprogrammed Amount	Activity Amount	Activity Amount
Emergency Shelter Grants Program	Homeless Assistance	\$121,352.00	\$0.00		\$121,352.00
	Rehab/Conversion				\$0.00
	Operations	\$84,946.40			\$84,946.40
	Essential Services	\$36,405.60			\$36,405.60
	Homelessness Prevention	\$8,000.00			\$8,000.00
	Administration	\$6,800.00			\$6,800.00
	Emergency Shelter Grants Subtotal	\$136,152.00	\$0.00		\$136,152.00
Emergency Solutions Grants Program	Emergency Shelter**			\$0.00	\$0.00
	Renovation**			\$0.00	\$0.00
	Operation**			\$0.00	\$0.00
	Essential Service**			\$0.00	\$0.00
	URA Assistance**			\$0.00	\$0.00
	Street Outreach - Essential Services**			\$0.00	\$0.00
	HMIS			\$10,000.00	\$10,000.00
	Rapid Re-housing		\$0.00	\$0.00	\$0.00
	Housing Relocation and Stabilization Services				\$0.00
	Tenant-Based Rental Assistance				\$0.00
	Project-Based Rental Assistance				\$0.00
	Homelessness Prevention		\$0.00	\$57,431.00	\$57,431.00
	Housing Relocation and Stabilization Services			\$27,431.00	\$27,431.00
	Tenant-Based Rental Assistance			\$15,000.00	\$15,000.00
	Tenant-Based Utility Assistance			\$15,000.00	\$15,000.00
	Administration			\$9,155.00	\$9,155.00
	Emergency Solutions Grants Subtotal		\$0.00	\$76,586.00	\$76,586.00
			Total Grant Amount:		\$212,738.00

** Allowable only if the amount obligated for homeless assistance activities using funds from the first allocation is less than the expenditure limit for emergency shelter and street outreach activities (see Section III.B. of this Notice).

6. Written Standards for Provision of ESG Assistance (24 CFR 91.220(l)(4)(i), 91.320(k)(3)(i), 576.400 (e)(1), (e)(2), and (e)(3))

A. Standard policies and procedures for evaluating individuals' and families' eligibility for assistance under Emergency Solutions Grant (ESG)

1) Definitions

Eligibility for participation in programs shall reflect the definitions of homeless and at-risk for homelessness as provided for the Consolidated Plan, 24 CFR Part 91.5 and 576.2 of the Emergency Solutions Grant.

- To be eligible for admission to an emergency shelter or rapid re-housing funded by ESG, participants will have to meet the definition of *homeless* provided below.
- To be eligible for homeless prevention, participants will have to meet the definition of *at-risk of homelessness* provided below.

a. Homeless

(1) An individual or family who lacks a fixed, regular, and adequate nighttime residence, meaning they are:

- i. Living in places not meant for human habitation, such as cars, parks, sidewalks, and abandoned buildings;
- ii. Living in an emergency shelter, transitional housing or hotels or motels paid for by a charitable organization or a government program; or
- iii. Exiting an institution where he/she spent less than 90 days AND who resided in an emergency shelter or place not meant for human habitation immediately before entering that institution.

(2) An individual or family who will imminently lose their primary nighttime residence provided that: evictions within 14 days from a private dwelling unit and no subsequent residence has been identified and the person lacks the resources and support networks needed to obtain housing.

(3) Unaccompanied youth under 25 years of age or families with children and youth who do not otherwise qualify as homeless under this definition but who:

- i. Are defined as homeless Sec. 387 of the Runaway and Homeless Youth act, Sec. 637 of the Head Start Act; sec. 41403 of the Violence Against Women Act of 1994; sec 330(h) of the Public Health Service Act, sec. 3 of the Food and Nutrition Act of 2008; Sec 17(b) of the Child Nutrition Act of 1966; or, Sec 725 of the McKinney-Vento Homeless Assistance Act.
- ii. Have not had a lease, ownership interest, or occupancy agreement in permanent housing at any time during the 60 days immediately preceding the date of application for homeless assistance;

- iii. Have experienced persistent instability as measured by two moves or more during the 60-day period immediately preceding the date of applying for homeless assistance; and
- iv. Can be expected to continue in such status for an extended period of time because of chronic disabilities, chronic physical health or mental health conditions, substance addiction, histories of domestic violence or childhood abuse (including neglect), the presence of a child or youth with a disability, or two or more barriers to employment, which include the lack of a high school degree or General Education Development (GED), illiteracy, low English proficiency, a history of incarceration or detention for criminal activity, and a history of unstable employment; or

(4) Any individual or family who:

- i. Is fleeing, or is attempting to flee, domestic violence, dating violence, sexual assault, stalking, or other dangerous or life-threatening conditions that relate to violence against the individual or a family member, including a child, that has either taken place within the individual's or family's primary nighttime residence or has made the individual or family afraid to return to their primary nighttime residence;
- ii. Has no other residence; and
- iii. Lacks the resources or support networks, e.g., family, friends, faith-based or other social networks, to obtain other permanent housing.

b. At risk of homelessness

(1) An individual or family who:

- i. Has an annual income below 30 percent of median family income for the area, as determined by HUD;
- ii. Does not have sufficient resources or support networks, e.g., family, friends, faith-based or other social networks, immediately available to prevent them from moving to an emergency shelter or another place described in paragraph (1) of the "homeless" definition in this section; and
- iii. Meets one of the following conditions:
 - (A) Has moved because of economic reasons two or more times during the 60 days immediately preceding the application for homelessness prevention assistance;
 - (B) Is living in the home of another because of economic hardship;
 - (C) Has been notified in writing that their right to occupy their current housing or living situation will be terminated within 21 days after the date of application for assistance;
 - (D) Lives in a hotel or motel and the cost of the hotel or motel stay is not paid by charitable organizations or by Federal, State, or local government programs for low-income individuals;
 - (E) Lives in a single-room occupancy or efficiency apartment unit in which there reside more than two persons or lives in a larger housing unit in which there

reside more than 1.5 persons reside per room, as defined by the U.S. Census Bureau;

- (F) Is exiting a publicly funded institution, or system of care (such as a health-care facility, a mental health facility, foster care or other youth facility, or correction program or institution); or
- (G) Otherwise lives in housing that has characteristics associated with instability and an increased risk of homelessness, as identified in the recipient's approved consolidated plan;

(2) A child or youth who does not qualify as "homeless" under this section, but qualifies as "homeless" under section 387(3) of the Runaway and Homeless Youth Act, section 637(11) of the Head Start Act, section 41403(6) of the Violence Against Women Act of 1994 , section 330(h)(5)(A) of the Public Health Service Act, section 3(m) of the Food and Nutrition Act of 2008, or section 17(b)(15) of the Child Nutrition Act of 1966.

(3) A child or youth who does not qualify as "homeless" under this section, but qualifies as "homeless" under section 725(2) of the McKinney-Vento Homeless Assistance Act, and the parent(s) or guardian(s) of that child or youth if living with her or him.

c. Emergency shelter

An emergency shelter shall be defined as any facility, the primary purpose of which is to provide a temporary shelter for the homeless in general or for specific populations of the homeless and **which does not require occupants to sign leases or occupancy agreements**. Any project funded as an emergency shelter under a Fiscal Year 2010 Emergency Solutions grant may continue to be funded under ESG.

d. Income

Income qualification for homeless prevention is limited to those with incomes below 30% of the MFI as defined by HUD. Income documentation and determination shall conform to the Part 5 definition of income.

2) Procedures

Admission to emergency shelter, rapid re-housing and homeless prevention shall be carried out by the subgrantee agencies under ESG. Individual providers may establish screening and admission criteria provided they incorporate, at a minimum, the federal criteria for eligibility as described above.

Residents in the City of Reading that are faced with eviction may apply to the Landlord-Tenant Mediation program of the Human Relations Commission of the City of Reading. If funds are needed for arrears or rent payments to maintain the housing as a solution to the eviction, a referral is made to Opportunity House for prevention services. Opportunity House screens applicants that are either referred or call directly for prevention services and shelter. Opportunity House also screens shelter residents of Opportunity House as well as other shelters for participation in Rapid Re-housing services.

Residents of Berks County outside the city that are facing eviction are directed to Family Promise. Case managers screen the applicants and work with the landlord to avoid eviction.

The Reconnection program administered by the YMCA provides funds for households to relocate out of the area where family or friends are willing to re-house the participants. Referrals are made by Opportunity House as well as other shelters.

The City has also provided prevention funding to Catholic Charities under the first allocation. Catholic Charities provides utility assistance only. Referrals are made from BCAP, administrators of the LIHEAP program and other social service organizations, some of whom administer FEMA funds for this purpose. When such funding is not available at their agencies, they refer clients to Catholic Charities.

B. Policies and procedures for coordination among emergency shelter providers, essential service providers, homelessness prevention and rapid rehousing assistance providers, other homeless assistance providers, and mainstream service and housing providers.

The Berks Coalition to End Homelessness, administrator of the Continuum of Care (COC), has 60 member agencies. Most all agencies relevant to housing, homeless and mainstream services are members of the COC and therefore, the linkages needed to coordinate services have long been established. Through the COC, programs are coordinated, needs explored and solutions to problems hammered out.

Shelter guests and those receiving homeless prevention and rapid re-housing assistance are linked to this wide array of services and receive financial counseling, drug/alcohol abuse counseling, mental health counseling, HIV/AIDs treatment and support, connection to mainstream resources such as TANF and General Assistance, foodstamps, and Medicaid/medicare, legal aid support, and more.

While there are no formal policies and procedures for referral, informal personal connections between agency staff allow for the connection to services that clients can receive. The COC staff help facilitate access to services when questions arise. The new 2-1-1 system will also help direct agency staff and homeless persons to appropriate services. The COC invested a great deal of time to provide 2-1-1 with a complete compendium of services.

C. Policies and procedures for determining and prioritizing which eligible families and individuals will receive homelessness prevention assistance and which eligible families and individuals will receive rapid re-housing assistance. In addition, for homelessness prevention assistance, recipients must include the risk factors that will be used to help determine individuals and families who are most in need of ESG homelessness prevention assistance to avoid moving into an emergency shelter or another place described in paragraph (1) of the 'homeless' definition in 24 CFR 576.2. The combinations of characteristics of persons in shelter or on the street should serve as a guide for targeting and prioritizing prevention assistance to those families and individuals who are most in need.

Berks County, the City of Reading and the Berks Coalition to End Homelessness have determined that the priority population to receive homeless prevention and rapid re-housing funds are those for whom immediate and unforeseen circumstances have created a short-term barrier to

housing stability. Households that have demonstrated prior housing stability through long-term leases, homeownership or other stable residential arrangement and find themselves in an economic bind that jeopardizes their housing or created their homelessness will receive first consideration. Funding levels are insufficient to provide the level of assistance needed the long period of time it might take to stabilize a household who has multiple barriers to housing stability.

Persons with multiple issues, long term instability in housing, chronic mental health and/or substance abuse, long-term joblessness, and other patterns of instability will not benefit from short-term rent assistance. Emergency shelters will be able to provide them with a longer-term stable environment and housing options for persons with disabilities.

Rents in the City range from \$425 for a studio to \$650 for a 2 bedroom apartment and \$725 plus utilities for larger units. Based on these rents, a single person would have to have an annual income of at least \$17,000 per year for a studio unit (roughly \$9.35 per hour @35 hours per week) and a family would need from \$22,000 for a one-bedroom to \$26,000 for a two – bedroom or \$29,000 for a larger unit (\$12.09 to \$15.93 per hour @35 hours per week). With unemployment between 10 and 11% in Berks County, such jobs are not readily available. The cost of rent in other parts of the county is significantly higher and housing is much scarcer. **The income levels required to support rent are in excess of the 30% MFI allowed under this program.**

2012 STATE: PENNSYLVANIA -----I N C O M E L I M I T S-----

PROGRAM	1 PERSON	2 PERSON	3 PERSON	4 PERSON	5 PERSON	6 PERSON	7 PERSON	8 PERSON
30% OF MEDIAN	14,300	16,350	18,400	20,400	22,050	23,700	25,300	26,950

Source: HUD Section 8 income levels, December, 2011

Given the type of assistance that can be provided, ESG funds can best work to keep more stable households out of the shelters in order to keep space available for households and individuals with more significant barriers to housing stability.

Statistics from the Emergency Shelter programs in 2011 included 1,075 adults. The “typical” client was a white male, non-Latino, age 50, who had been living with family or friends for most of the prior year and who is homeless for the first time. About half report long-term disabilities including mental health, and/or drug and alcohol abuse. Most have a high-school diploma or GED. Families comprise a smaller number of participants.

Shelter statistics show that only 29% of shelter guests were first time homeless in shelter. The rate of recidivism is unfortunately high. Of families, 52.7% remain stably housed and do not return to shelter but among individuals only 29% do not return to shelter. Female shelter participants are more like to not return (65.7%) compared to males (25.6%).

These statistics provide the background for determining that the best use of the ESG resources is to keep families and individuals in housing and prevent first –time sheltering.

HPRP experience showed that only 5.35% of those receiving assistance entered shelters after program participation (37 of 692). These were evenly divided between male and female

participants. Family type for those seeking shelter showed that singles without children were more likely to enter shelter (13%) than families (3.9%) with 2 parent households at 4.4% and single parent households at 2.9%.

D. Standards for determining the share of rent and utilities costs that each program participant must pay, if any, while receiving homelessness prevention or rapid re-housing assistance. The written standards must include guidelines for determining a program participant's contribution to rent and utilities.

Program assistance is provided as follows:

1. Rent and Utilities Arrears
2. Security deposits on apartment and utilities
3. First month rent

The assistance to pay arrears and security deposit will be paid 100%. The first month rent may require a tenant contribution based on the case-managers assessment of ability to pay. Subsequent assistance for rent or utilities shall be determined on a case-by-case basis by the case manager. Rent may be paid for up to 2 additional months. Tenants will be expected to contribute 30% of income to rent and/or utilities unless their case manager determines that the specific circumstances require an exception to be made. The specific financial capacity of the households will be determined through budget counseling and goal setting.

All participants must have incomes below 30% of MFI as determined by HUD.

E. The written standards must include guidelines for determining the length and amount of assistance a participant will receive, as well as, changes in assistance amounts over time. following regulatory provisions are met when developing standards related to rental assistance: (1) Program participants receiving project-based rental assistance must have a lease that is for a period of 1-year, regardless of the length of rental assistance; (2) program participants receiving rapid rehousing assistance must be re-evaluated at least once every year and program participants receiving homelessness prevention assistance are required to be re-evaluated at least once every 3 months; and (3) no program participant may receive more than 24 months of assistance in a 3-year period.

Program participants must enter into a written one-year lease with a landlord to be eligible for the program. The unit to be leased must pass a housing-quality inspection and be free from all health and safety defects, including lead-based paint.

As described above, financial assistance for rent and utilities is limited to 3 months, plus arrears. Households will be re-evaluated monthly.

F. The written standards must include standards for determining the housing stabilization and/or relocation services that will be provided to a participant, including the types of services, amount of services, and the length of time a participant can receive services.

Every homeless prevention and rapid re-housing participant that receives rent or utility assistance shall receive case management to determine his/her goals and needs. Through this case management and goal setting, the individual issues that the individual and family need to address will be examined and referrals made to appropriate services. The services are provided during the period of time that the household receives financial assistance.

Families receiving financial assistance must also participate in tenant education and budget counseling.

Those participants in ESG funds for prevention that access the City's Human Relations Commission for Landlord-Tenant mediation and those who access the Reconnection Program to return to another location will not necessarily receive case management. Participants in the City's Landlord-Tenant Mediation process must participate in Tenant education.

Terminations – Participants will be terminated in any of the following circumstances:

- The case manager suspects drugs are being used by the Applicant and requests a Drug Screen. Failing the drug screen or refusal to take it can mean termination.
- The Applicant does not uphold his end of the lease agreement with the landlord.
- It is discovered that the Applicant was not truthful in the original application.

7. Making Sub-Awards

Description of the process for making funds available to local non-profit organizations:

Over the past twenty (20) years, the City of Reading and the County of Berks have conducted a joint acceptance, review, and award process for the ESG, HOME, and CDBG Programs. The process involves the publication of a joint ad for the 1st public hearing, joint ads for seeking applications, and a joint ad for the 2nd public hearing.

At the end of the application acceptance period, City and County staff review the requests and decide which seem most appropriate to be funded by each entitlement, which applications may lend themselves to be funded by both entitlements, and which applications may not be appropriate to fund. Factors for award include, but are not limited to, matching funds, number of clients to be served by the funding, performance of the provider in the past, monitoring results, etc. As one would expect, requests exceed the amount of funds available. Applications for funding by the City are ultimately decided by City Council. Applications for funding by the County are ultimately decided by the Board of County Commissioners.

8. Homeless Participation

Implementation of a plan to consult with homeless or formerly homeless individuals in considering and making policies and decisions regarding any ESG-funded facilities, services, or other assistance.

The City of Reading/County of Berks' CoC actively works to involve currently and formerly homeless individuals in important decision-making elements of the Continuum including the ESG process and policy-making. Currently, the CoC has homeless and formerly homeless individuals serving on the board, and attending regular CoC meetings.

9. Performance Standards

The performance goals will be measured for each recipient as well as across the CoC. Performance goals are going to be the cornerstone of CoC funding as well, and HUD is encouraging CoCs to take steps now to develop and implement measurement systems.

Performance measures:

- (1) Targeting those who need the assistance most.
Benchmark: There will be a reduction in first-time homelessness among individuals and families of 5%.
- (2) Reducing the number of people living on the streets or emergency shelters.
Benchmark: There will be a reduction in the number of unsheltered persons counted during the Point-in-time from the previous year.
- (3) Shortening the time people spend homeless.
Benchmark: The number of nights that an individual or family stays in shelter will be reduced by 5% from the prior year.
- (4) Reducing each program participant's housing barriers or housing stability risks.
Benchmark: Recidivism (return to shelter) will be reduced by 5% over 2 years. Benchmark: 10% of shelter clients will have an increase in income or resources from entry to exit.
- (5) Preventing and ending homelessness for Veterans.
Benchmark: There will be a reduction of 5% per year in homeless Veterans.
- (6) Setting a path to end all types of homelessness.
Benchmark: There will be an increase of 5% per year in the amount of community resources provided to prevent homelessness.

To facilitate discussion of these measures, the following statistics were collected from HMIS. We compared the 2011 data to the first two months of 2012.

AVERAGE LENGTH OF STAY

	Average Length of Stay	Median Length	Less than one month	Less than 3 months	Less than 6 months	Less than 1 year
CoC Shelters 2012	70	67	30% (65)	78% (166)	93% (198)	98% (213)
EDI (8 Participants)	164	180	37% (3)	50% (4)	50% (4)	100% (8)
HOPE (91 Participants) (does not include Code Blue)	52	47	25% (23)	99% (90)	100% (91)	n/a
Opportunity House*	99	84	22% (18)	52% (43)	87% (72)	100% (82)

*(Does not include the 8 residents who have been there over 1 year).

During 2011 they had 75 persons staying more than 1 year so their efforts to house the long-term homeless are notable. Most of the really long-time residents – 3, 4, 5, 7 and 8 years have been relocated.

Recidivism

During 2011, the HMIS report showed that 71% of shelter residents were repeat guests. Only 29% were first time homeless in shelter. There were 2,691 records for 2011.

- 157 (of 239) female occurrences (65.7%) have no shelter recidivism after entering a program
- 626 (of 2,450) male occurrences (25.6%) have no shelter recidivism after entering a program
- 716 of 2,473 (28.95%) occurrences of single adults without children have no shelter recidivism after entering a program
- 59 of 112 (52.7%) occurrences of single adults in households with children have no shelter recidivism after entering a program
- 94 of 490 reported veterans had a return to shelter (19%).

By age, those who were between 30 and 44 had 34-38% no shelter recidivism where persons age 44-59 had return rates of 25-28% and over 60 had return rates of 16%. Younger adults age 20-24 had 51.7% no reoccurrence of shelter stays but only 28.9% of those 25-30 had no reoccurrence. Recidivism seems to run independent of income.

RECIDIVISM BY PROVIDER

	Client Count	Occurrences	No shelter return	Shelter recidivism
EDI	20	20	17	3 (15%)
Mary's Shelter	34	36	34	2 (5.6%)
HOPE Rescue Mission - Safe Haven	415	600	413	187 (31%)
Opportunity House – shelter	385	430	241	189 (44%)

10. Certifications

ESG Certifications

The Emergency Solutions Grant Program Recipient certifies that:

Major rehabilitation/conversion – If an emergency shelter’s rehabilitation costs exceed 75 percent of the value of the building before rehabilitation, the jurisdiction will maintain the building as a shelter for homeless individuals and families for a minimum of 10 years after the date the building is first occupied by a homeless individual or family after the completed rehabilitation. If the cost to convert a building into an emergency shelter exceeds 75 percent of the value of the building after conversion, the jurisdiction will maintain the building as a shelter for homeless individuals and families for a minimum of 10 years after the date the building is first occupied by a homeless individual or family after the completed conversion. In all other cases where ESG funds are used for renovation, the jurisdiction will maintain the building as a shelter for homeless individuals and families for a minimum of 3 years after the date the building is first occupied by a homeless individual or family after the completed renovation.

Essential Services and Operating Costs – In the case of assistance involving shelter operations or essential services related to street outreach or emergency shelter, the jurisdiction will provide services or shelter to homeless individuals and families for the period during which the ESG assistance is provided, without regard to a particular site or structure, so long the jurisdiction serves the same type of persons (e.g., families with children, unaccompanied youth, disabled individuals, or victims of domestic violence) or persons in the same geographic area.

Renovation – Any renovation carried out with ESG assistance shall be sufficient to ensure that the building involved is safe and sanitary.

Supportive Services – The jurisdiction will assist homeless individuals in obtaining permanent housing, appropriate supportive services (including medical and mental health treatment, victim services, counseling, supervision, and other services essential for achieving independent living), and other Federal State, local, and private assistance available for such individuals.

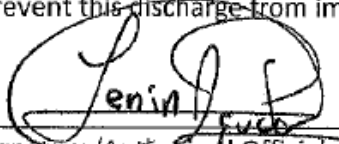
Matching Funds – The jurisdiction will obtain matching amounts required under 24 CFR 576.201.

Confidentiality – The jurisdiction has established and is implementing procedures to ensure the confidentiality of records pertaining to any individual provided family violence prevention or treatment services under any project assisted under the ESG program, including protection against the release of the address or location of any family violence shelter project, except with the written authorization of the person responsible for the operation of that shelter.

Homeless Persons Involvement – To the maximum extent practicable, the jurisdiction will involve, through employment, volunteer services, or otherwise, homeless individuals and families in constructing, renovating, maintaining, and operating facilities assisted under the ESG program, in providing services assisted under the ESG program, and in providing services for occupants of facilities assisted under the program.

Consolidated Plan – All activities the jurisdiction undertakes with assistance under ESG are consistent with the jurisdiction's consolidated plan

Discharge Policy – The jurisdiction will establish and implement, to the maximum extent practicable and where appropriate policies and protocols for the discharge of persons from publicly funded institutions or systems of care (such as health care facilities, mental health facilities, foster care or other youth facilities, or correction programs and institutions) in order to prevent this discharge from immediately resulting in homelessness for these persons.



Signature/Authorized Official

Date 4/27/12

Title Director of Community Development

Table 1: City of Reading Declaration of FY 2010 Grant Fund Commitments

Activity Type	Obligated Amount
Homeless Assistance	\$ 127,450.00
Homelessness Prevention	\$ 800.00
Administrative Activities	\$ 6,565.00
Total FY 2010 Award	\$ 134,815

Table 2: City of Reading FY2011 ESG Expenditure Limits

ESG Calculation – City of Reading	
Amount expended in 2010 for Shelter/Street outreach	127,450
Grant amount 2011	212,738
60% of grant amount	127,762.8
Greater of HHN or 2011: Maximum shelter support:	127,762
Grant amount 2011	212,938
Allowable admin (7.5%)	15,955
HHN shelter support	121,352*
Maximum prevention funds available	75,431
NOTE; you may decrease shelter support and increase Prevention funding	

*Maximum shelter support is \$127,938 but \$121,352 contracted with Opportunity House.

APPLICATION FOR FEDERAL ASSISTANCE

OMB Approved No. 3076-0006

Version 7/03

1. TYPE OF SUBMISSION: Application		2. DATE SUBMITTED	Applicant Identifier
<input type="checkbox"/> Construction	Pre-application	3. DATE RECEIVED BY STATE	State Application Identifier
<input checked="" type="checkbox"/> Non-Construction	<input type="checkbox"/> Construction	4. DATE RECEIVED BY FEDERAL AGENCY	Federal Identifier
<input type="checkbox"/> Non-Construction			
5. APPLICANT INFORMATION			
Legal Name: The City of Reading, Pennsylvania		Organizational Unit: Department: Community Development Department	
Organizational DUNS: 0214465210000		Division:	
Address: Street: 815 Washington Street Room 3-12		Name and telephone number of person to be contacted on matters involving this application (give area code)	
City: Reading		Prefix:	First Name: Crystal
County: Berks		Middle Name	
State: PA		Last Name Edwards	
Zip Code 19601-3690	Suffix:		
Country: USA		Email: crystal.edwards@readingpa.org	
6. EMPLOYER IDENTIFICATION NUMBER (EIN): 23-6001907		Phone Number (give area code) (610)655-6392	Fax Number (give area code) (610)371-0619
8. TYPE OF APPLICATION: <input type="checkbox"/> New <input checked="" type="checkbox"/> Continuation <input type="checkbox"/> Revision If Revision, enter appropriate letter(s) in box(es) (See back of form for description of letters.) Other (specify)		7. TYPE OF APPLICANT: (See back of form for Application Types) Municipal Other (specify)	
10. CATALOG OF FEDERAL DOMESTIC ASSISTANCE NUMBER: TITLE (Name of Program): Emergency Solutions Grants program (ESG) 14-231		9. NAME OF FEDERAL AGENCY: HUD, Office of Community Planning and Development	
12. AREAS AFFECTED BY PROJECT (Cities, Counties, States, etc.): City of Reading, Pennsylvania		11. DESCRIPTIVE TITLE OF APPLICANT'S PROJECT: Funding Availability for the Emergency Solutions Grant (ESG) program - 2nd FY2011 allocation	
13. PROPOSED PROJECT Start Date: 06/01/12 Ending Date: 12/31/13		14. CONGRESSIONAL DISTRICTS OF: a. Applicant PA-016 b. Project PA-016	
15. ESTIMATED FUNDING:		16. IS APPLICATION SUBJECT TO REVIEW BY STATE EXECUTIVE ORDER 12372 PROCESS?	
a. Federal	\$ 76,586.00	a. Yes. <input type="checkbox"/> THIS PREAPPLICATION/APPLICATION WAS MADE AVAILABLE TO THE STATE EXECUTIVE ORDER 12372 PROCESS FOR REVIEW ON	
b. Applicant	\$ 76,586.00	DATE:	
c. State	\$.00	b. No. <input checked="" type="checkbox"/> PROGRAM IS NOT COVERED BY E. O. 12372	
d. Local	\$.00	<input type="checkbox"/> OR PROGRAM HAS NOT BEEN SELECTED BY STATE FOR REVIEW	
e. Other	\$.00	17. IS THE APPLICANT DELINQUENT ON ANY FEDERAL DEBT?	
f. Program Income	\$.00	<input type="checkbox"/> Yes If "Yes" attach an explanation. <input checked="" type="checkbox"/> No	
g. TOTAL	\$ 153,172.00		
18. TO THE BEST OF MY KNOWLEDGE AND BELIEF, ALL DATA IN THIS APPLICATION/PREAPPLICATION ARE TRUE AND CORRECT. THE DOCUMENT HAS BEEN DULY AUTHORIZED BY THE GOVERNING BODY OF THE APPLICANT AND THE APPLICANT WILL COMPLY WITH THE ATTACHED ASSURANCES IF THE ASSISTANCE IS AWARDED.			
a. Authorized Representative			
Prefix	First Name Lenin	Middle Name	
Last Name Agudo	Suffix		
b. Title Director, Community Development Department	c. Telephone Number (give area code) (610)655-6211		
d. Signature of Authorized Representative	e. Date Signed 4/10/2012		

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Standard Form 424 (Rev.9-2003)
Prescribed by OMB Circular A-102

Table 3C
Consolidated Plan Listing of Projects

Jurisdiction's Name: City of Reading, Pennsylvania

Priority Need
Homeless Prevention

Project Title
Emergency Solutions Grant Program

Description
The City of Reading, Pennsylvania's Emergency Solutions Grant (ESG) -2nd FY 2011 Allocation- will be used for homeless prevention and HMIS activities.

Objective category: ☒ Suitable Living Environment ☐ Decent Housing ☐ Economic Opportunity
Outcome category: ☐ Availability/Accessibility ☐ Affordability ☒ Sustainability

Location/Target Area
Reading, Pennsylvania (Citywide)

Street Address:
City, State, Zipcode: Reading, Pennsylvania, 19601

Objective Number	Project ID	Funding Sources:	
HUD Matrix Code	CDBG Citation	CDBG	
Type of Recipient	CDBG National Objective	ESG	\$ 212,738
Municipal Government		HOME	
Start Date (mm/dd/yyyy)	Completion Date (mm/dd/yyyy)	HOPWA	
Performance Indicator	Annual Units	Total Formula	
Local ID	Units Upon Completion	Prior Year Funds	\$134,815
		Assisted Housing	
		PHA	
		Other Funding	\$212,738(match)
		Total	\$560,291

The primary purpose of the project is to help: ☒ the Homeless ☐ Persons with HIV/AIDS ☐ Persons with Disabilities ☐ Public Housing Needs